Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Director of Central Intelligence

Top Secret

25X1

National Intelligence Daily

Thursday
3 April 1980

Top Secret

CO NID 80-079JX

[redacted]

3 April 1980

Copy 388

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1
Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Page Denied

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

[redacted] 25X1

Contents

Situation Reports

Iran 1

[redacted] 25X1

Briefs and Comments

[redacted] 25X1

India-Pakistan: *Dialogue to Resume* 6

UK: *Aftermath of Steel Strike*. 7

Taiwan-Poland: *Trade Relations* 8

Saudi Arabia: *Possible Oil Cutback* 9

[redacted] 25X1

Ecuador-Cuba: *Setback for Havana* 10

Colombia: *Negotiating Ploy* 10

[redacted] 25X1

Turkey: *Lira Devaluation* 11

Southern Africa: *Summit Results*. 12

[redacted] 25X1

Sudan-Iraq: *Relations Resumed*. 13

Japan: *New Security Committee*. 13

[redacted]

25X1
25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

SITUATION REPORTS

IRAN

President Bani-Sadr apparently hopes to persuade the militants occupying the US Embassy to allow Revolutionary Guards to join them in the compound as the first step in transferring the hostages to government control.

25X1

The militants probably will not accept this arrangement. Even if they do go along, the militants and the Guards would be rivals, and the danger of an incident would be significant.

25X1

Bani-Sadr has only limited control over the Guards. Many owe their loyalty to various radical ayatollahs, and there is no assurance that a Guard force sent into the compound would remain loyal to the President.

25X1

25X6

Militants' Spiritual Leader Elected

The militants' spiritual leader, Hojatoleslam Khoeni, was among those elected to the legislature from Tehran. He is likely to advocate the militants' hardline views when the Assembly begins its debate on the hostage issue. Khoeni's close relations with Khomeini and his successful manipulation of Khomeini's anti-US views have given him political influence far beyond his abilities.

25X6

Oil Worker Protests

In a meeting with Bani-Sadr on Tuesday, oil workers and members of the Islamic Council of the National Iranian Oil Company demanded that Oil Minister Moinfar be dismissed for reducing salaries by 20 percent and freezing pension eligibilities pending review of the system. Moinfar has been elected to the National Assembly and will have to resign his Oil Ministry post to take his seat, but the oil workers are demanding his dismissal before then.

25X1
25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1
Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Page Denied

Next 4 Page(s) In Document Denied

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

INDIA-PAKISTAN: Dialogue to Resume

The scheduled visit to Pakistan on 10 April of special Indian envoy Swaran Singh underscores India's interest in continuing a constructive dialogue with its longtime adversary.

25X1

The Indian initiative is a followup to talks held in Islamabad in February after the Soviet invasion of Afghanistan. Those talks were cordial but produced no movement toward solution of the Afghanistan crisis or further improvement of bilateral relations.

25X1

25X1

The Indians are still trying to find a way to encourage the Soviets to withdraw troops from Afghanistan. They may try to nudge the Pakistanis toward placing more restrictions on Pakistani-based Afghan dissidents.

25X1

The dialogue between New Delhi and Islamabad could gain momentum in coming months, possibly escalating to the Foreign Minister level. Thus far, however, the deep suspicion that each side harbors toward the other has prevented a real breakthrough in improving relations.

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

UK: Aftermath of Steel Strike

Settlement of the three-month-old steel strike this week without direct government intervention will reinforce Prime Minister Thatcher's determination to stay out of future wage disputes and to move ahead with plans to reform the economy.

25X1

By keeping the wage increases in line with other industries' settlements, Thatcher's economic strategy has thus survived a major test basically unscathed. The government is not likely to face any further serious industrial unrest until at least this fall.

25X1

Publicly owned British Steel probably will be able to finance the deal without additional government funds, but longer term prospects will depend on whether expected productivity increases occur and on how well plans proceed for restructuring the steel industry. If the terms of the settlement cannot be met by the company, Thatcher may have to renege on her refusal to bail it out, thus setting a precedent for other nationalized industries.

25X1

The planned layoff of 52,000 workers will hit hardest in some of the UK's most depressed areas, where opposition to the settlement is strong. During the strike, the government's tough approach temporarily damaged its image among union rank and file, many of whom had voted for the Conservatives in the election last year. Nevertheless, the government will continue to appeal for the workers' support over the heads of union leaders, most of whom have rebuffed Thatcher's efforts at reconciliation.

25X1

As British Steel resumes production, other EC steel producers will be forced to reduce output. Jumps in production in West Germany, France, Belgium, and Luxembourg almost immediately compensated for the 80-percent drop in British steel output that occurred in January. As the continental firms lose the sales picked up from British Steel's traditional customers, they will feel more pinched by the current low level of US orders, which they attribute to the dumping suit filed by US Steel.

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

TAIWAN-POLAND: Trade Relations

Taiwan and Poland apparently will soon announce the establishment of unofficial trade missions.

25X1
25X1

Until last November, Taiwan permitted only indirect trade with East European nations. Since then, however, Taipei has allowed direct trade with Poland, East Germany, Czechoslovakia, Hungary, and Yugoslavia.

25X1

The move permits Taiwan--as it sees its diplomatic position decline--to demonstrate greater international flexibility and less dependence on the US, while serving notice on China that Taiwan has options other than expanded relations with the mainland. Although Premier Sun has explained that trade with Eastern Europe is solely for the purpose of diversifying markets, the establishment of an unofficial trade mission in Warsaw will give Taiwan nondiplomatic representation similar to that which it has with numerous non-Communist nations.

25X1

The arrangement--the first break in Eastern Europe's one China policy--could yield significant economic and political benefits for Poland. Warsaw could regard Taiwan as an attractive source of technologically advanced goods that have been more difficult to obtain elsewhere since the Soviet invasion of Afghanistan. Poland also could be retaliating against China's "disruptive activity" in Western Europe, especially Chinese endorsement of German reunification.

25X1

China will take a dim view of this development and watch closely for similar arrangements between Taiwan and other East European nations.

25X1

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

SAUDI ARABIA: Possible Oil Cutback

Saudi Ministry of Petroleum officials have indicated [redacted] that they will recommend a cut in oil production from the current 9.5 million barrels per day to 8.5 million barrels per day by early summer, based on their reading of the current trends in the international oil market. No political decision apparently has been made yet, but Saudi leaders have been anxious to reduce production for some time. The Saudis know that a cutback this summer would give them the option--if they choose later to use it--of implicitly linking a readiness to increase production again to US efforts to resolve the Palestinian problem. [redacted]

25X1

25X1

25X1

[redacted]

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Cuba Denied Fishing Base In Guayaquil

626812 4-80

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

ECUADOR-CUBA: Setback for Havana

President Roldos, under strong pressure from the military high command, has denied a Cuban request for a permanent fishing base in Guayaquil and reportedly has suspended all pending agreements with Havana. This decision sets back Cuban efforts to expand commercial and cultural ties with Ecuador--diplomatic relations were renewed last summer--and also to increase access to East Pacific fishing grounds by the Cuban fleet. The Ecuadoran military, which is naturally suspicious of the Cubans, may have been influenced by the unfavorable publicity in the national media about the potential Cuban presence in Guayaquil. [redacted]

COLOMBIA: Negotiating Ploy

The Colombian Government has announced its willingness to permit international observers to attend the trials of accused guerrillas and has stated that prisoners found innocent can leave the country with the terrorists if they so choose. The M-19 terrorists in the Dominican Embassy are preparing a counterproposal that, [redacted] contains little negotiating flexibility. The government continues to refuse to free convicted guerrillas or prisoners still on trial. [redacted]

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

25X1

TURKEY: Lira Devaluation

Turkey's 5-percent devaluation of the lira on Tuesday is an encouraging sign that the government will follow through on its stabilization program announced in January. That program, which featured a 33-percent lira devaluation coupled with domestic austerity, is basically sound but lacked a commitment to carry out further devaluations as necessary. Continuing devaluations are essential, given Turkey's current annual inflation rate of over 100 percent. Additional foreign aid--another vital element to help stabilize the economy--is likely to be pledged at the Organization for Economic Cooperation and Development session scheduled for 15 April.

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

SOUTHERN AFRICA: Summit Results

At their one-day summit in Zambia on Tuesday, the heads of state from nine black southern African states explored ways to promote economic cooperation and to lessen their economic dependence on South Africa. They agreed to establish a regional transportation and communications commission based in Mozambique, to prepare proposals for a regional development fund, and to coordinate energy policies. Real progress in realizing these objectives will be slow and painful because of South Africa's strong position as the locus of the region's transportation network. Perhaps the most significant aspect of the summit was the presence of all of the region's black leaders, including President Banda of Malawi--long a pariah among his colleagues because of his formal ties with Pretoria. The only public reaction from Pretoria thus far has been Foreign Minister Botha's statement that South Africa "will most certainly not beg" for black African cooperation.

25X1

25X1

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

SUDAN-IRAQ: Relations Resumed

Iraq and Sudan yesterday agreed to resume diplomatic relations, broken a year ago as a result of Sudan's support for Egyptian President Sadat and the Camp David accords. In the intervening period, Sudanese President Nimeiri has qualified his backing for Egypt, and last month he expressed his support for Iraq's Pan-Arab charter proposal. [redacted] 25X1
[redacted] the rapprochement is part of a joint effort with 25X1
Saudi Arabia to wean Iraq away from the Soviets. In fact, Nimeiri also hopes to win Iraqi financial support and an end to Iraq's backing of Sudanese dissidents.
[redacted] 25X1

JAPAN: New Security Committee

The establishment on Tuesday of a Special Committee on National Security Affairs by the lower house of the Japanese Diet is the latest step toward a more constructive and realistic discussion of defense issues. Opposition parties had refused for many years to join the ruling Liberal Democratic Party in supporting a defense committee. Their agreement to the creation of the group after several months of negotiations is a measure of the extent to which their attitude toward security issues has changed, particularly since the Soviet invasion of Afghanistan. While the committee will have no jurisdiction over defense legislation, its existence as a forum for debating security issues will promote wider public discussion of national defense. [redacted] 25X1

Michio Sakata, a respected former Director-General of the Defense Agency and an acknowledged defense expert, has been named committee chairman. The Liberal Democratic majority in the committee almost certainly will encounter difficulties with opposition members who do not agree with the ruling party on specific defense issues, but Sakata's appointment is an indication of the party's determination to work toward a new consensus on security requirements. [redacted] 25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5

25X1

Approved For Release 2007/09/19 : CIA-RDP82T00466R000200020014-5